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Village Voice
14 August 1969

Itkin Won't Testify; May Blow Feds' Case

by Mary Perot Nichols

The federal government lost its star witness in a series of major Mafia cases this week because it has failed to protect his family. The development may well turn the long battle against organized crime into a total rout.

The witness, Herbert Itkin, who was also the chief witness in the trial of former City Water Commissioner James Marcus, told The Voice in an exclusive interview on Monday night, "If the government cannot arrange to protect the children of witnesses as promised by Robert Kennedy when he was attorney general, then not only will I not testify but there will be no war on organized crime because no one will be willing to testify and endanger their own children's lives."

Itkin has been an agent for the Central Intelligence Agency for 14 years and an agent for the FBI for five years. In a state court last November, Itkin became the only agent on whose behalf the CIA ever filed an affidavit. Itkin was expected to be the leading witness in an upcoming trial of top Mafia figures in Pittsburgh, Detroit, and New York. He was also expected to be a witness in the trial of former Tammany chief Carmine G. DeSapio.

In an interview in an East Side restaurant, Itkin and his wife, Ada, said they had been unable to find any court that would put Mrs. Itkin's two sons into protective custody. They said they feared the children would be killed or maimed by the Mafia. Mrs. Itkin's sons, by a previous marriage, live with their father, Frederick Hersh, in Peekskill, New York.

The Itkins said that Mrs. Itkin lost custody of the boys on a legal technicality in 1965 when they went to England on assignment by the CIA. Itkin's assignment in England was to set up a business as a cover. He set up a partnership with James Marcus, then an assistant to Mayor Lindsay; Peter Littman, a Swiss banker; and Littman's brother-in-law, Philadelphia businessman Albert Greenfield. Itkin said that at that time he was assigned to investigate the flow of gambling funds from organized crime in this country to Swiss banks and the influx of American gangsters into British gambling.

What prompted Itkin to call The Voice and seek an interview was that last Friday the Itkins apparently thought they had exhausted all the legal remedies to get protection for the children. The Itkins also indicated they now felt the CIA had not lived up to its promise to protect the children. The Itkins now live on a federal government military installation and, during dinner, they were guarded in the restaurant by two federal marshals.

According to the Itkins, Judge Edmund Palmieri of the United States District Court ruled on Friday that his court had no jurisdiction over the question of the children's protective custody. The Itkins claimed that on Wednesday the Westchester Family Court also ruled it had no jurisdiction. They also claimed that in the three and a half years since Mrs. Itkin lost the children, she had been unable to get a full hearing in the Westchester Family Court on the custody question.

Itkin said that Judge Palmieri told his attorney, F. Lee Bailey, last Thursday—before he ruled that his court had no jurisdiction—that the situation with the children was "horrendous" and that "while we are sitting right here something could be happening to the children."

Judge Palmieri declined to comment on the case but it was learned from informed sources that the federal court has not closed the case. The sealing of Judge Palmieri's decision and the retention of possible jurisdiction in the case is regarded by close observers of the situation as a pressure on the state courts to watch their step in this case.

Informed sources also confirmed Itkin's statement that Judge Palmieri is concerned over the safety of Mrs. Itkin's two children. Itkin's own four children and his previous wife are already in federal custody.

Mrs. Itkin said that what was now needed was the appearance of Lawrence Houston, chief counsel of the CIA, and Richard Helms, director of the CIA, "to go into the Westchester Family Court and fight. Would the judges in that court," she asked, "refuse to listen to Richard Helms?"

The Itkins claimed that undercover agents all over the country were watching to see if the CIA and the FBI are able to protect their own. If the federal agencies cannot, the Itkins maintained, there can be no war on organized crime because other agents will not "blow their covers" and testify.

JFK ACT RELEASE

CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL

CIA HAS NO OBJECTION TO
DECLASSIFICATION AND/OR
RELEASE OF CIA INFORMATION
IN THIS DOCUMENT

cisco are attempting to expand employment opportunities for minorities, the Federal Government sometimes seems intent upon frustrating their efforts. Some 1,600 persons—most of them residents of San Francisco—find that their place of employment may be moved to an outlying community. The San Francisco Examiner called attention to the consequences of this proposed action in an editorial of June 27 of this year:

WRONG MOVE

The Social Security Administration's tentative plan to move its payment center out of San Francisco carries damaging implications for the City.

A total of 1600 jobs is at stake, half being clerical posts held by workers of minority origin, the very class of citizen toward whom job-finding efforts are most energetically directed. As Congressman Phillip Burton warned, "The plan at best could turn (them) into commuters to the suburbs and deprive the City of employment opportunities it desperately needs."

The payment center's operations currently are spread out in five San Francisco locations, admittedly not a desirable situation. But the employment needs of the central city—certainly one of the keystones of the Nixon Administration—must take a higher priority.

Job accessibility is of unusual importance to the minority worker. A lengthy commute by bus or auto—or later even by BART—is expensive and, at this stage of the game, contrary to the life style of many.

No obstacle should be put in the way of minority hiring. Since one of the main thrusts of the Administration is toward the rehabilitation of the core city, any policy that reduced employment opportunities there would be destructive of the central purpose.

City officials should join with Congressman Burton in forcefully impressing this indisputable fact on the proper authorities in Washington.

POPULATION GROWTH

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 12, 1969

Mr. HORTON, Mr. Speaker, modern medicine and nutrition have cut the death rates throughout the world, producing unprecedented population growth. And if left unchecked world population will double to 7 billion persons by the end of the century.

The very quality of life on this planet is at stake. Such growth cannot continue indefinitely without serious social and environmental problems.

Eighteen months ago, Secretary-General U Thant made public a "world leaders declaration on population."

The declaration signed by the heads of 30 nations, including the United States said:

The population problem must be recognized as a principal element in long-range national planning if governments are to achieve their economic goals and fulfill the aspirations of their people.

As a member of a special congressional task force on earth resources and population, I have been studying this problem on a worldwide basis.

Yesterday, I cosponsored legislation to create a Commission on Population Growth and the American Future. The thrust of this act would be to study population problems and to educate the country to an awareness of these problems.

When you are told that only a dozen or so countries around the world now have efficiently functioning population programs, the importance of broadening public awareness and expanding family programs becomes even more evident. We must erase the unjustified stigma associated with such phrases as "birth control" and "family planning."

Population growth is a serious problem because it affects health and nutrition, literacy and education, productive employment and living standards. It becomes obvious that overpopulation is much more an economic and political problem than a medical one.

The late President Dwight D. Eisenhower recognized this problem.

He said:

The population explosion has already become one of the most critical world problems of our time and daily grows more serious.

It threatens to smother the economic progress of many nations and endangers the free world struggle for peace and security.

While the current rate in the United States is a low 1 percent a year, this natural population increase cannot be maintained. By the year 2000, the population of our country could reach 360 million.

In this country and elsewhere, the basic problem lies with persons, most of them poor, who are unable to limit their families to the number of children they desire and can feed and support.

It is a fallacy to believe the poor have children only because they want to stay poor. Unfortunately, they have more children and these children are condemned to perpetuate the poverty of their parents.

For the majority of Americans, birth control can be attained through current research and family training programs.

But for one-fifth of the Nation—those who are poor or nearly poor—such programs will not be enough. The current family planning programs are of little help to those who cannot afford the services, who do not know that they are available or who live where medical facilities are scarce.

The lack of family planning services among the poor is not a problem confined to one race, nor is it confined to the urban areas.

In fact, two-thirds of the Nations' poor are white and only one-third live in the central city slums. Neither is the problem confined to any particular geographic area. The people needing such services live in all sections of the country.

The Federal Government must undertake a much larger effort if this Nation is to play its proper role in attaining a better life for our people as well as for the people of developing nations.

To preserve and improve the quality of human life here and abroad, we must focus attention on the quantity of population now. I urge my colleagues to support this measure.

U.S. TRADE WITH JAPAN OMINOUS PROSPECT

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 12, 1969

Mr. DENT. Mr. Speaker, I am pleased to submit the following analysis of U.S. trade with Japan for consideration by the Members. It was prepared by O. R. Strackbein, president of the Nationwide Committee on Import-Export Policy, and one of our country's most knowledgeable men in the field of international trade.

The analysis follows:

Our trade with Japan has undergone a radical change in recent years.

As recently as 1964 we had a surplus of exports with that country, according to our official statistical reports. We exported goods valued at $1.9 billion in that year to Japan whereas our imports were only $1.7 billion. In 1965 we imported $350 million more from Japan than we exported to her. By 1968 the turnabout was so complete that any idea that the reversal was merely a temporary phenomenon was shattered. In that year we imported $1.1 billion more than we sold there. Our imports were 38% higher than our exports.

The 1968 deficit in our trade with Japan was greater than our total trade surplus.

There are other aspects about our trade with Japan that set it apart from our trade with most of the other areas of the world.

In 1968, for example, at least 91% of our imports from Japan consisted of manufactured goods, or $3.7 billion of the total of $4.0 billion.

With respect to our exports to Japan the same classifications of manufactured goods represented only 31.6% of our total exports to Japan.

It goes without saying that more labor goes into producing manufactured goods than into raw materials and partially manufactured goods. Therefore our trade with Japan, aside from showing a broad deficit in total dollar value, represented a heavy labor deficit in 1968.

Predominantly we are selling low labor-content goods to Japan and importing high labor-content goods.

Whatever may be said about the stake of labor in foreign trade, our trade with Japan does not provide us with a happy example of an exchange beneficial to labor.

It represents an exchange in which a high-wage economy is pitched against a low-wage economy in a competitive contest in which relative productivity must be the arbiter of where the advantage lies. If our wages are four or five times as high, including fringe benefits, as the Japanese counterpart we must enjoy a wide margin of higher productivity per man-hour than the Japanese if we are to be able to compete. It does not follow that we must be exactly four or five times as productive per man-hour as the Japanese, because other factors intrude; but since employee compensation is by far the greatest part of the cost of production incurred in bringing goods to market, it is clear that we must enjoy a formidable lead in productivity if we are to compete with wages as low as the Japanese.

Of course, we find some market in Japan because that country is deficient in certain resources. She must import heavily if she is to manufacture extensively. Therefore we can sell raw cotton, coal and a large variety of other raw materials to Japan, not because we could undersell her if she had the same resources, but because she is not self-sufficient in those products. This is not a test of relative competitiveness.

NEW YORK TIMES
24 JUL 1969

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File ITKIN

10 Linked to Mafia Indicted in Kickback

By EDWARD RANZAL

Ten reputed Mafia members are among 13 persons who have been indicted here on charges of conspiring to pay kickbacks to a teamsters' pension fund official to obtain a mortgage loan for a builder.

The conspiracy allegedly involved a heated jurisdictional dispute between New York and Michigan Mafia members over the spoils. To arbitrate the dispute, a Goverment source said, a hearing was held near Pittsburgh under the aegis of the Mafiosi there with a decision handed down by a 76-year-old "referee."

Before the sealed Federal indictment was opened yesterday, the Federal Bureau of Investigation arrested nine of the 10 reputed Mafia figures. The 10th is a fugitive.

United States Attorney Robert M. Morgenthau said the indictment, which was handed up Tuesday, was the sixth, involving kickbacks to officials of the Teamsters Central States Southeast and Southwest Areas Funds obtained by his office.

Mr. Morgenthau said that more than $7.5-million in mortgage loans was involved in the cases. In the only case that has gone to trial, three defendants were recently convicted.

Itkin Expected to Testify

Although his name did not appear in the indictment, Herbert Itkin, an F.B.I. informer, is expected to testify for the Government. Mr. Itkin has supplied much of the evidence in the kickback indictments, and was a Government witness in the kickback case involving James L. Marcus, former City Water Commissioner.

The kickback of about $5,000 was reportedly made to one of the 13 defendants in yesterday's indictment. He is David Wenger, 58-year-old certified public accountant and auditor of the pension fund, Mr. Morgenthau said.

It was supposedly paid to influence Mr. Wenger's decision on a mortgage application by Mid-City Development Company, a Detroit corporation that owns an industrial building complex in Warren, Mich.

Mr. Wenger was one of three defenants not arrested but who will plead to the indictment next week. The other two are John M. Keilly, 40, a mortgage broker, of Oyster Bay Bay Cove, L. I., and California, and James Plumeri, alias Jimmy Doyle, 66, of 400 East 59th Street.

Plumeri, who has been described as an important member of the Mafia family of the late (Three-Finger Brown) Luchese, has been named a defendant in three of the six kickback indictments.

The following defendants from New York have been described by Government sources as members of the gangland group headed by the late Vito Genovese:

Salvatore Celembrino, 65, former organizer for the International Longshoremen's Association, of 242 Sanilac Street, Staten Island; Salvatore Granello, alias Sally Burns, 40, a fugitive, of 215 Mott Street, and Edward Lanzieri, alias Eddie Buff, 52, of 2066 61st Street, Brooklyn.

The indictment also named Dominick (Fat Dominick) Corrado, 39, of Grosse Pointe Park, Mich., reputed to be one of the top Mafia figures in Detroit.

Another defendant was Samu Marrosco, 55, of Warren, Mich., a public relations man, who, Mr. Morgenthau said, was instrumental in getting a loan in 1964 for the Mid-City Development Company.

The reputed "referee" in the dispute was Frank Amato of Ingomar, reputed Mafia boss of southwest Pennsylvania; Gabriel Mannarino, 53, of New Densington; Frank Rosa, 39, of Penn Hills, and Joseph Sica, 60, of Monroeville.

Assistant United States Attorney James W. Brannigan said that in 1964 the Detroit development company needed a $1.25-million loan to buy the industrial building complex.

The company allegedly received help from the Detroit Mafiosi in obtaining a $1,050,000 mortgage loan from the pension fund. The company, Mr. Brannigan said, then asked for help to get an additional $200,000 loan.

There was some bickering with the Detroit Mafiosi and the company allegedly approached Plumeri in New York. Detroit learned of the deal and protested to New York.

The dispute was brought to the attention of the Mafia's national commission, which held that the matter should be arbitrated in the Pittsburgh area.

The meeting was allegedly held in the $50,000 home of Rosa's father, who has since died, in a suburb of Pittsburgh. The New York group arrived first and presented its case to Amato. That afternoon the Detroit Mafiosi sat down with Amato and told their story.

That evening Amato allegedly decided that the entire deal would be handled by Detroit and after the loan had been received Detroit would pay off New York Mafiosi.

In similar indictments the Government has said that the arrangers got at least 10 per cent of the total loan.

Mr. Brannigan said that the $200,000 loan was never made by the pension fund to Mid-City Development.

Celembrino pleaded not guilty, and Federal Judge John M. Cannella set his bail at $10,000, pending a hearing next month. Bail was set at $5,000 for Lanzieri, who also pleaded not guilty.

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File: Itkin

THE NEW YORK TIMES

1 May 1969

THE NEW YORK TIMES, THURSDAY, MAY 1, 1969

Itkin Ties Mafia Figure to Union Loan

By EDWARD RANZAL

A complicated intrigue laced with chicanery, greed, threats, double-crosses and orders from a reputed Mafia figure was spun out yesterday in Federal Court here by Herbert Itkin, a Federal Bureau of Investigation informer.

He drew a picture of frantic maneuverings by a group of alleged conspirators to arrange, in return for kickbacks, a $1.2-million loan from a teamsters' union pension and welfare fund for a financially sick manufacturer of sweaters.

The 42-year-old Itkin, a labor lawyer, was a Government witness yesterday in the trial of three men and a woman before Judge Walter Mansfeild and a jury of 10 women and two men.

Witness at Marcus Trial

Mr. Itkin's role as an F.B.I. informer came to light during the bribe conspiracy trial of former Water Commissioner James L. Marcus. The lawyer testified for the Government.

The defendants in the teamster case are charged with conspiring to receive illegal kickbacks to obtain a mortgage loan from the International Brotherhood of Teamsters Central States Pension and Welfare Fund.

The defendants are James (Jimmy Doyle) Plumeri, 65 years old, of 400 East 59th Street, a reputed member of the Thomas Luchese Mafia family; Mrs. Yvette Feinstein of White Plains, a former administration assistant to Teamster Local 237; Samuel Berger, 57, of 350 East 54th Street, president of the Master Trucking Association and former manager of Local 102 of the International Ladies Garment Workers Union, and Travis Levy, 56, a lawyer, of Scarsdale.

The trial of another defendant, Frank Zalferino, president of Local 10, of the International Brotherhood of Production, maintenance and Operating Employes, was severed at the outset because of the death of his lawyer, William Kleinman.

Earlier witnesses had said that in 1964 Shiah Arsham, head of the Cashmere Corporation of Cleveland found himself being squeezed by factors who had loaned him money. Mr. Arsham was named as a co-conspirator, but not a defendant in the case.

Mr. Arsham's lawyer, Mr. Levy, sought financial help, it was testified, and talked with Stephen Birnbaum, a mortgage broker who shared a Park Avenue office with Mr. Itkin. He was introduced to Mr. Itkin.

Mr. Itkin said he was initially given $20,000 by Mr. Arsham, who had raised the money by mortgaging his home. He related how Plumeri had arranged to obtain a loan for the manufacturer from a furriers' union, which insisted that it first get an appraisal of the sweater business.

The witness said that the manufacturer and Mr. Levy had agreed to give him 7 per cent of the total loan if it went through.

Itkin Met Plumeri

Several weeks later, Mr. Itkin said, he met Plumeri, who allegedly told him to forget the deal because there had been no appraisal, and " I don't want to be embarrassed with these people." Mr. Itkin said he had given Plumeri $500.

At Plumeri's suggestion, Mr. Itkin continued, he approached Mr. Zalferino, who agreed to give a letter to the manufacturer committing the union to a $1.2-million loan.

The union's treasury, the witness explained, did not have the money and the letter was to be used only to obtain a loan from a bank. Mr. Zalferino assertedly made threats as to what he would do if the letter was used, and when Mr. Itkin complain to Plumeri, the reputed mobster gave orders to Mr. Zalferino.

The union head then allegedly told Mr. Itkin, "I'll get even with you for this."

When banks refused to accept the union letter, Mr. Berger was allegedly brought into the plot, and he arranged a loan from the teamsters' union. But the manufacturer needed cash to operate until the loan went through.

The witness said that on Plummeri's orders, Mr. Zalferino lent the manufacturer $5,000 in union funds, and an additional $55,000 loan was obtained from Teamsters Local 875.

FILE: ITKIN

NEW YORK TIMES

25 April 1969

U.S. JUDGE SUSTAINS DE SAPIO INDICTMENT

Federal Judge Charles M. Metzner refused yesterday to dismiss a bribery conspiracy indictment against Carmine G. De Sapio, former Tammany Hall leader, and two others.

The indictment charged a plot to bribe former Water Commissioner James L. Marcus and extort construction contracts from Consolidated Edison.

Marcus, who is serving a 15-month sentence in another Federal bribery conspiracy case, and Herbert Itkin, a Federal Bureau of Investigation informer, are expected to be the principal government witnesses against Mr. De Spaio.

The indictment, returned last Dec. 20, named as defendants, in addition to Mr. De Sapio, Antonio (Tony Ducks) Corallo, a Mafia figure, and Henry Fried, a wealthy contractor. No date has been set for trial.

In a 36-page opinion, Judge Metzner dismissed one count of the four-count indictment. This involved the alleged use of the telephone interestate in furtherance of the alleged conspiracy. Judge Metzner held that there was no indication that interstate calls had been made in this case.

He also ordered that Mr. Itkin undergo pre-trial questioning on May 9 by defense lawyers pertaining to his role in the alleged conspiracy.